

SENATE BILL REPORT

SB 5367

As Reported by Senate Committee On:
Labor, Commerce & Consumer Protection, February 16, 2009

Title: An act relating to a spirits, beer, and wine nightclub license.

Brief Description: Creating a spirits, beer, and wine nightclub license and eliminating the cap on spirits, beer, and wine restaurant licenses.

Sponsors: Senator Kohl-Welles; by request of Liquor Control Board.

Brief History:

Committee Activity: Labor, Commerce & Consumer Protection: 1/29/09, 2/16/09 [DPS, w/oRec].

SENATE COMMITTEE ON LABOR, COMMERCE & CONSUMER PROTECTION

Majority Report: That Substitute Senate Bill No. 5367 be substituted therefor, and the substitute bill do pass.

Signed by Senators Kohl-Welles, Chair; Keiser, Vice Chair; Franklin, Honeyford, King and Kline.

Minority Report: That it be referred without recommendation.

Signed by Senator Holmquist, Ranking Minority Member.

Staff: Kathleen Buchli (786-7488)

Background: The Liquor Control Board (LCB) issues a number of different licenses for premises that serve spirits, beer, and wine. It does not currently issue liquor licenses for nightclubs. Businesses that operate as nightclubs that wish to serve spirits, may do so under a spirits, beer, and wine restaurant license.

Summary of Bill (Recommended Substitute): A spirits, beer, and wine nightclub license is established. The license allows the holder to make retail sales of liquor by the drink, beer, and wine for consumption on the premises. The spirits, beer, and wine nightclub license can be issued only to persons whose business includes the sale and service of alcohol to its customers and has food sales incidental to the sale of alcohol. The business must also have its primary hours between 9 p.m. and 2 a.m. Minors are allowed on the premises but not in areas where alcohol is served.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

The annual fee for a spirits, beer, and wine nightclub license is \$2,000. Local governments may petition the LCB to request that further restrictions be imposed on a spirits, beer, and wine nightclub license in the interest of public safety. The LCB can refuse to grant a spirits, beer, and wine nightclub license if it determines that the number of nightclub licenses already granted for the locality are adequate for the reasonable needs of the community.

Other statutes dealing with spirits, beer, and wine restaurant; spirits, beer, and wine private club; and sports entertainment facility licenses are amended to include the spirits, beer, and wine nightclub license.

EFFECT OF CHANGES MADE BY LABOR, COMMERCE & CONSUMER PROTECTION COMMITTEE (Recommended Substitute): Restores the cap on sprits, beer, and wine restaurant licenses and modifies that cap to include spirits, beer, and wine nightclub licenses. The cap is changed from one license per 1,300 people in the state to one license per 1,200 people in the state. Restores the definition of “public institution” for the purposes of Liquor Control Board notice requirements.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony on Original Bill: PRO: This bill will make it easier for location governments to know what licenses are coming to their community, and local governments have the ability to petition the liquor control board for further restrictions on licensees. This provides a clear distinction between restaurants and nightclubs. The cap should be removed because it has no value other than to stifle economic development. The number of licenses issued will not increase. There are concerns that in moving from a restaurant license to a nightclub license businesses could lose their investments in their nightclub if restrictive local regulations are enacted. The definition of nightclub could be modified to be consistent with how it is used elsewhere in code. The number of licenses is a market-based decision and it will not work without the cap being removed. A statewide cap does not serve the communities of the state.

CON: The cap should not be removed. Local governments need more control because nightclubs bring a higher law enforcement need to the community.

OTHER: There is a concern relating to the caps being removed on all licenses. This will affect local law enforcement and the needs of the community. The definition of public institution is removed in the bill and this is an item of concern. This definition should remain in the statute.

Persons Testifying: PRO: Rick Garza, Liquor Control Board; Tim Hatley, Seattle Nightlife and Music Association; Pete Hanning, Seattle Nightlife Music Association, Washington Restaurant Association, Red Door; Michael Transue, Washington Restaurant Association.

CON: Jim Justin, Association of Washington Cities.

OTHER: Joanna Arlow, Washington Association of Sheriffs and Police Chiefs; Genesee Cooper Adkins, City of Seattle.